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Compliance and Non-Compliance with a Superordinate Directive Document

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Abstract We report a study of how a Norwegian regional health care agency directive document was complied with at the subordinate hospital level. We found tight coupling for the activity and budget requirements and loose coupling and decoupling for the other requirements in the document. Furthermore, rather than pursuing their own self- and group interests the hospital actors held an overall effectiveness logic.

Keywords Compliance · Decoupling · Hospitals · Directives

In this article we question the assumption in institutional theory that decoupling is brought about by strategic organisational action (Boxenbaum and Jonsson 2008:81; Meyer and Rowan 1977; Oliver 1991). Rather, compliance and non-compliance with a superordinate directive document were found to be the outcome of decentralized actors' decisions. These decisions, furthermore, were more based on overall organisational interests than on actors' self- or group interests.

Less than full compliance with subordinate directives are commonplace in organisations; loose coupling (Weick 1976; Orton and Weick 1990) and decoupling (Meyer and Rowan 1977; Brunsson 2002, 2003) are found. Institutional theory not only demonstrates that these states are found in organisations, it also asserts that they may be organisationally functional, thus departing from the (often implicit) assumption that tight couplings are to be preferred. The explanation given is that organisations adapt to diverging pressures from institutional and technical environments

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respectively (Meyer and Rowan 1977). Organisational effectiveness, accordingly, may be contingent upon only superficial adoption to the institutional pressures (Boxenbaum and Jonsson 2008:81).

The question about which micromechanisms actually bring about tight and less than tight coupling, respectively, deserves more thorough examination than has been provided in the research. According to Boxenbaum and Jonsson (2008:87), "*Naturally*, (italics added), the prerequisite is here that organizations are aware of the possibility of decoupling and consider it to have a strategic advantage." Some deliberate and conscious processes are thus suggested, such as when managers act symbolically and talk rhetorically while doing something else or directly or indirectly instruct others to ignore their messages.

While limited in number, empirical studies on decoupling do give some support to this deliberate decoupling hypothesis (Beverland and Luxton 2005; Hirsch and Bermiss 2009; Tilcsick 2010). Other studies (Coburn 2004; Elsbach and Sutton 1992; Westphal and Zajac 2001), on the other hand, demonstrate decoupling as an outcome of less centralized and deliberate processes. We therefore suggest strategic decoupling to be one of several mechanisms for bringing about various degrees of coupling in organisations.

We further suggest that these mechanisms can be described by two dimensions: the centralization of the processes and the degree to which the outcomes of the processes are organisationally functional.

The centralization of the processes depends, firstly, on how many actors are involved and, secondly, on the autonomy of these actors.

The organisational functionality dimension is directly derived from the above mentioned crucial assumption in institutional theory that loose coupling and decoupling may be beneficial for the actual organisations.

Within this framework we suggest that taken-for-granted assumptions can explain to some degree why managerial directives are complied with; typically that alternatives to compliance are not conceived. See Scott (2008:58) who states, "For cultural-cognitive theorists, compliance occurs in many circumstances because other types of behaviour are inconceivable."

We, secondly, suggest that compliance can be based on legitimacy considerations. There are two basic perspectives on legitimacy (Suchman 1995; Deephouse and Suchman 2008:52). One is an institutional view, emphasizing how constitutive societal beliefs come embedded in organisations, thus having similarities with the above mentioned taken-for-granted assumptions alternative. The other is a strategic perspective emphasizing how legitimacy can be managed to help achieve organisational goals.

Thirdly, we suggest that loose coupling and decoupling can be brought about when subordinate actors appropriately replace their superordinates' judgments with their own judgments as to what best brings about total effectiveness.

Fourthly, we suggest that less than tight couplings can be brought about by actors who pursue their own interests at the expense of the focal organisation. Agency theory (Jensen and Meckling 1976) explains these mechanisms by focusing on agents' behaviors that deviates from the principals' interests.

Our study is based on the above described framework and is aimed at developing knowledge about the mechanisms that bring about tight and less than tight couplings, respectively. We examined the degree to which a Norwegian state-owned

superordinate regional health care agency directive document was complied with at the subordinate level of a hospital and how compliance and non-compliance was accounted for.

Assuming that the most crucial decisions in bringing about varying degrees of coupling are those taken by the subordinate actors, our study is limited to the hospital side of the above mentioned relationship. Since the subordinate actors in the case of centralized processes directly or indirectly would have been instructed to ignore directives from the regional health care agency, our approach enabled us to discern any such centralized processes. We would also find any decentralized processes which necessarily would have involved the subordinate actors. We assumed that the regional health care agency might hold a variety of rationales and varying degrees of expectations that the directive documents should actually be complied with. Actors at the regional health care agency might for example consider the directive to be predominantly or only symbolic, and therefore to be relaxed whether it is complied with or not. The document might alternatively be regarded as something that for instrumental reasons should be fully and unequivocally complied with. According to Røvik (2007:53–54), it is not possible to distinguish between a tool logic focusing on instrumental effects on the one hand and a social construed symbolic logic, on the other hand; the relationship between these logics is *inherently ambiguous* (italics in original).

Theory

Meyer and Rowan (1977) consider *organisations* to be the actors in decoupling processes; "An organization can resolve conflicts between ceremonial rules and efficiency by employing two interrelated devices: decoupling and the logic of confidence" (356) and "The ability to coordinate things in violation of the rules—that is, to get along with other people—is highly valued" (357).

Similarly, Oliver (1991) consistently uses the term *organisation* as the actor when describing strategic response to institutional processes. "An organization, for example, may establish elaborate rational plans and procedures in response to institutional requirements in order to disguise the fact that it does not intend to implement them" (154).

Boxenbaum and Jonsson (2008), furthermore, states that, "Naturally, the prerequisite is here that organizations are aware of the possibility of decoupling and consider it to have a strategic advantage" (87).

Strategic action is a perfect or bounded rational decision process; the very notion of strategy implies that actors have some goals or preferences, that they consider the consequences of alternative actions, and that they decide upon the alternative that is found to be best or satisfactory to achieve the actual goals.

Considering organisations as strategic actors in decoupling processes, thus, suggests some deliberate and conscious processes, such as when managers act symbolically and talk rhetorically while doing something else or directly or indirectly instruct others to ignore their messages.

Previous research (Beverland and Luxton 2005; Coburn 2004; Elsbach and Sutton 1992; Hirsch and Bermiss 2009; Tilcsick 2010; Westphal and Zajac 2001) demonstrate that centralized strategic processes are not the only mechanism for bringing about less than tight coupling in organisations. The strategic action explanation,

therefore, is one of several alternatives for bringing about less than tight coupling and more decentralized processes should be taken into consideration.

We assume that the mechanisms that bring about various degrees of coupling may be described by two dimensions. The centralization of the processes depends, firstly, on how many actors are involved and, secondly, on the autonomy of these actors.

The organisational functionality dimension is directly derived from the above mentioned crucial assumption in institutional theory that loose coupling and decoupling may be beneficial for the actual organisations.

The range of mechanisms that bring about various degrees of coupling is presented in Table 1.

In the case of tight coupling, the processes are necessarily centralized and the organisational functionality is dependent on whether the directives are correctly specified (Staw and Boettger 1990). Within this framework, we suggest that taken-for-granted assumptions can explain the degree to which managerial directives are complied with; typically that alternatives to compliance are not conceived; see Scott (2008:58) who states that "For cultural-cognitive theorists, compliance occurs in many circumstances because other types of behaviour are inconceivable."

Secondly, compliance can be based on legitimacy considerations. There are two basic perspectives on legitimacy (Suchman 1995; Deephouse and Suchman 2008:52).

Table 1 Mechanisms for tight and less than tight coupling in organisations

			Organisationally functional outcomes	Organisationally dysfunctional outcomes
Tight coupling	Centralized processes	Correctly specified managerial directives (Staw and Boettger 1990).	Taken-for-granted assumptions that directives should be complied with Legitimacy considerations	
		Incorrectly specified managerial directives (Staw and Boettger 1990).		Taken-for-granted assumptions that directives should be complied with Legitimacy considerations
Loose coupling or decoupling	Centralized processes		Managers act symbolically and talk rhetorically while appropriately doing something else or directly or indirectly instruct others to ignore their messages.	
	Decentralized processes		Subordinates appropriately replace their superordinates' judgments with their own	Sub-optimalization, Agency costs Organisational misbehavior

One is an institutional view, emphasizing how constitutive societal beliefs come embedded in organisations, thus having similarities with the above mentioned taken-for-granted assumptions alternative. The other is a strategic perspective emphasizing how legitimacy can be managed to help achieve organisational goals.

In the case of loose coupling and decoupling, the organisational functionality dimension is directly derived from the above mentioned crucial assumption in institutional theory that less than tight coupling may be beneficial for the actual organisations. While not necessarily a common phenomenon empirically, loose coupling and decoupling as an outcome of centralized processes—such as when one or few actors say something and act differently or instruct others to do so—is quite easily explained. It is also trivial that organisational actors' non-compliance with superordinate directives may be organisationally dysfunctional (Ackroyd and Thompson 1999; Jensen and Meckling 1976; Vardi and Weitz 2004). The most interesting and demanding issue is to explain how organisationally functional decoupling is brought about by decentralized processes. These states can be brought about when subordinate actors appropriately replace their superordinates' judgments with their own as to what best brings about total organisational effectiveness. Actors thus deviate from managerial directives when the directives are considered to hamper rather than enhance overall effectiveness. They may, for example, perceive the directives as symbolic and rhetorical devices and therefore something not, or only superficially, to be complied with. The managerial directives may alternatively be considered as steering attempts, but as ineffective to realize organisational interests, hampering rather than enhancing organisational functioning. In this case, actors perceive no diverging interests between organisational levels and thus consider less than full compliance as furthering both their own organisational level and overall effectiveness. In this case of replacing their superordinates' considerations with their own, subordinate actors may find deviance to be fully appropriate and to contribute to the common good, that is, as "a virtue." Even if they regard their considerations to be appropriate, they may alternatively consider their non-compliance with regret, that is, as "a sin."

Subordinate level effectiveness may also be obtained *at the expense of* overall effectiveness. This is the case of suboptimalization. Agency theory (Jensen and Meckling 1976) explains this case by the concepts of principals and agents who have diverging interests. Decoupling in this case occurs because the superordinate level does not succeed in overcoming the actual agency problem.

According to Røvik (2007:28), there is a discrepancy between the frequency of citing decoupling in the literature and the number of empirical studies of the phenomenon. Furthermore, there is a remarkably low degree of emphasis in these papers on the crucial idea in institutional theory that less than tight coupling may be organisationally functional. The empirical studies that are most relevant for our study are reviewed below, emphasizing their positions in the above table.

Hirsch and Bermiss (2009) report a strategic decoupling case in the Czech Republic after the collapse of the Soviet empire in 1989. Led by deputy prime minister, minister of finance and prime minister Vaclav Klaus, the government appeared to implement a strong privatization program. To a request by president Havel to slow down the project, Klaus protested, stating that "a delay of even a month in the program could cost the country millions of crowns" (268). At the same time, however, Klaus undermined this policy by purchasing large amounts of the vouchers

that were issued to the Czech citizens, thus decoupling the symbols of free markets from the actual market activity (269), "The Klaus team may be seen to have given the appearance of creating new rules and disrupting earlier practices, while purposively acting to maintain some earlier arrangements. This enabled the preservation of some of the older arrangements by pretending to dismantle them" (276). Hirsch and Bermiss thus demonstrate a case in which decupling result from "careful strategic design" (273). They furthermore suggest that this strategic decoupling is dependent on cultural factors based on the Czech recent history in which Czech has been subordinate and taking orders from (respectively) Austria, Germany, Russia, and now the West (277). According to Hirsch and Bermiss, the Czech citizens saw Klaus' speeches as telling outsiders what they wanted to hear, following the Good Soldier Schweik and a tacit understanding that the coming changes could be minimized (277). The degree to which it is organisationally functional is open.

Beverland and Luxton (2005) demonstrate how wine firms deliberately decouple projected images from internal operations to create powerful brand images. It is a centralized case and the decoupling is organisationally functional.

Tilcsick (2010) examines a post-Communist government agency and shows that the demography and ideology of powerful organisation members influence whether decoupling occurs, how it unfolds, and whether it is sustainable. Tilcsick demonstrates that decoupling occurs in the first phase while recoupling is found in a subsequent phase. The involved organisation members seem to hold quite centralized positions in the organisation whereby the process is centralized. The degree to which decoupling is organisationally functional is ambiguous.

Elsbach and Sutton (1992) show how controversial and possibly unlawful actions of member of organisations can lead to endorsement and support from key constituencies. The crucial point is that the violation of societal norms made the organisations more noticed whereby their spokespersons were enabled to provide positive interpretations of the controversial actions and to present their organisations favourably. For our study, it is important to note that the initial media attention activities were made independent of the actual organisations' central positions. By not being knowledgeable about the events, the spokespersons were able to claim innocence and shift the focus of attention toward the more socially acceptable goals and accomplishments of the organisation (713). The process here is decentralized, and the outcome seems to be organisationally functional.

Westphal and Zajac (2001) examine decoupling between policy and the practice of stock repurchase programs in a quantitative study. They find substantial divergence between proclamations of such programs and the degree to which they were actually implemented. They also find support for their hypotheses that a CEO's power over the board, vicarious learning and prior decoupling practice decreased the degree to which the repurchase programs were implemented. According to Westphal and Zajac, decoupling occurs not only because it may enhance organisational effectiveness, but also because it serves the political interests of powerful corporate leaders (221). The organisational interests of decoupling is that higher levels of free cash flow can promote corporate stability while managers will consider the free cash flow as an opportunity for increased executive compensation and perquisite consumption (206).

This process must be categorized as decentralized; the implementers are persons other than the boards that made the repurchase decisions. According to Westphal and Zajac, the outcome is beneficial for the actual organisations as well as for the involved CEOs.

Coburn (2004) demonstrates that messages from the environment do influence classroom practice. This process is framed by implementers' (teachers') preexisting beliefs and practices, however, and by the messages themselves. This study demonstrates decentralized processes. The degree to which the outcome is organisationally functional is unclear.

These studies demonstrate centralized as well as decentralized processes. The Beverland and Luxton and Tilcsick studies report centralized processes. In the Beverland and Luxton case, the centralized process seems to be clearly beneficial for the total organisation. In the other cases, the organisational outcomes are more ambiguous.

The Westphal and Zajac, Elsbach and Sutton, and the Coburn cases demonstrate decentralized processes. In the Westphal and Zajac and the Elsbach and Sutton cases, decoupling is organisationally functional while in the Coburn case it is more ambiguous.

The crucial point in the Elsbach and Sutton case is that the behaviours of the autonomous actors enable the organisation to focus on positive aspects of the organisation.

In the Hirsch and Bermiss case, the decoupling seems to be dependent on Czech citizens' tacit understanding that Klaus' speeches were directed to the outsiders and that the changes could be minimized.

Method

The regional health care agency is one of four such organisations and is the owner of ten hospitals, one of which is examined here. The various levels, accordingly, are parts of the total Norwegian health care system, consisting of the The Ministry of Health and Care Services, the five regional health care agencies and 22 hospitals, most of them with several locations. By means of the health care agency directive documents, every year the hospitals are instructed about what health care services to offer, in what quantities and qualities these services shall be given to the population in the actual districts, and what specific organisational aims should be pursued in the year to come.

The fourteen page directive document is a formal agreement signed by the CEOs of the regional health care agency and the hospital at the end of the year before the one for which it applies.

In the document, there are some general comments such as referring to the national level policies and principles that are generally agreed upon, for example that patients' needs, demographic changes, and medical technical developments should be taken into consideration. Furthermore, there are several more specific aims in the document. Among these are the ones included in our study, as listed below.

The document's general aims, as well as the specific aims, are identical for all the hospitals in the actual region. On the other hand, the specific numbers of activities and budget are specific for each of the hospitals.

1. Eighty percent of the case summaries from the hospital shall be submitted within seven days after the patients' discharge from the hospital.
2. The number and composite of physicians at the hospital shall correspond with those in a national database. This database is a manifestation of the national level allocation of physicians. There are some discrepancies between the numbers in the database and those at the actual hospitals, and the hospital is instructed to adjust to the database numbers.
3. The research production increases from the average of the three last years and internal resources of 0.5% of annual total hospital costs shall be allocated to research activities.
4. The hospital shall participate in planning and development projects, such as electronic learning.
5. The hospital shall develop specific procedures for two new lines of medical treatment
6. The hospital shall comply with the regional health care agency's demands, as far as the hospital's economy, activity level, and the division of health care functions between the hospitals and the health care agencies are concerned.
7. The hospital shall have appropriate educational activities, as far as medical/technical equipment is concerned.

These issues were chosen among others for our study based on the criterion of variability; we included issues of different types ranging from activity and budget to educational.

Our research questions implied that a qualitative approach was the preferred way to collect data; we wanted to provide comprehensive knowledge about the hospital actors' considerations.

We expected the directive document to be relatively well known among the top and upper level managers at the hospital and less known at lower organisational levels. Correspondingly, those at the top and upper level positions at the hospital were assumed to be those who interpreted the document and made the implementation decisions for their hospital's activities. Based on these considerations, nine top- and upper-level managers were asked to be informants in our study. They all answered our request positively. This may partly be due to the fact that the second author is a hospital employee. An interview guide with questions about the directive document generally and about the above mentioned seven specific organisational issues was worked out and sent to the informants in advance of the interviews. Each of these interviews lasted about one hour.

We acknowledge that this self-report approach has some inherent flaws. Because of self-presentational considerations, informants are likely to have over-reported high legitimacy considerations and correspondingly to have under-reported low legitimacy ones. Overall effectiveness considerations may therefore be over-represented in our material and agency considerations correspondingly under-represented.

The informants may additionally have made erroneous judgments as to the relationships between their actions and their consequences. They may for example consider their actions to further the interests of both the hospital and the agency even if the actual outcomes may be benign for only one or none of these institutions.

The second authors' status as a hospital employee may also have affected the answers given in the interviews. The homogenous results in our study, however, indicate that this effect is not an important one. It seems unlikely that all the informants would react to their colleague in such a similar way.

In our study, we examine the logic and intentions of the subordinate actors. Discrepancies between intentions and outcomes, if any, are thus not taken into consideration.

Results

Quite homogenous results as to the compliance with the directive document at the hospitals emerged from the nine interviews; no directly contradictory information was provided. This converging information can be considered as a methodological phenomenon: the informants may have been instructed or agreed among themselves to respond similarly to our questions. Even if the information was quite consistent, however, there were definitely nuances between the various interviewees, and the answers that were given to our questions varied according to the interviewees' focus, reflecting their organisational positions, and their job experience at the hospital. We assume therefore that the obtained information from the interviews give us valid information about the compliance with the directive document at the hospital.

The results of our study are summarized in Table 2.

The informants consistently reported the document to be important. It was considered to be of varying quality, however, as a combination of general formulations with unsubstantial value as to hospital steering on the one hand and very specific instructions on the other hand. Some of the informants expressed ideas about how the document had been worked out, assuming that considerations had been made to preferences of the state level health care authorities and also that individuals at the regional health care agency had affected the final version. None of the informants, however, perceived the directive document as only or mainly a symbolic device for legitimacy reasons. Rather, they considered compliance to be the default option. They considered their non-compliance with some degree of regret rather than as a virtue. Typical statements about the directive document are listed below.

> *"The directive document is of importance. I read it, try to understand it, and to find the crucial content. But then I cut what I don't find to be realistic and in accordance with our goals."*

Table 2 Compliance with the directive document

	Degree of compliance * Low degree of compliance ** Middle range compliance *** Substantial compliance **** High degree of compliance	Comments
The directive document generally	**	Middle range level of compliance.
1. 80% of the case summaries from the hospital shall be submitted by 7 days after the patients' discharge from the hospital.	***	Substantial compliance. Additionally, the hospital has found an alternative way to fulfil the aim of this issue.
2. The number and composite of physicians at the hospital shall correspond with those in a national database. There is a national level allocation of physicians, manifested in this database. The actual numbers of various physicians in a hospital may differ from those in the database.	**	Middle range level of compliance.
3. The research production increases from the average of the three last years and internal resources of 0.5% of annual total hospital costs shall be allocated to research activities.	***	More than fulfilment as far as research production is concerned. Internal resource allocation not according the directive document.
4. The hospital shall participate in planning and development projects such as electronic learning.	**	The hospital has found its own way of doing this.
5. The hospital shall develop specific procedures for two new lines of medical treatment.	*	Limited compliance.
6. The hospital shall comply with the regional health care agency's demands, as far as the hospital's economy, activity level, and the division of health care functions between the hospitals and the health care agencies are concerned.	****	The hospital complies with the regional health care agency's demands as to activity level, economy and the division of health care functions.
7. The hospital shall have appropriate educational activities, as far as medical/ technical equipment are concerned.	***	Demands are met, but there is a discrepancy about this according to the Norwegian safety agency.

"The directive document is very detailed with many repetitions and quite unstructured. If one expects that we shall take it seriously, it is not a suitable document."

"The directive document has significance because it is an instruction on what we shall do. But it shoots significantly over the target on some issues and significantly below the target on other issues."

Some informants considered the document to be too comprehensive.

"The directive document gives me a feeling of a tsunami… someone has counted 150 requirements in the document."

"New requirements are coming continuously; we should have a cancelling document."

"Those who have written the document, of course, do not see everything in our large and complicated organisation; they are unable to do so. The document then becomes detailed on some issues. On other issues they have less insight, and then one gets strange premises and strange requirements together with more high-level guidelines."

"Some requirements are unreasonable; they do not make sense because they are not in accordance with the terrain. When I decide not to comply with what they require, it is because it is unrealistic."

We consider the overall compliance with the directive document to be on a middle range level.

Directive # 1

In the directive document, it is requested that 80 % of the case summaries from the hospital shall be submitted within 7 days after the patients' discharge from the hospital. This requirement is definitely taken seriously at the hospital. The rationale of this requirement is that subsequent actors in the health care chain of treatment shall be informed, and it was fully understood, and the hospital nearly fulfills the 80 % goal. To increase this ratio, however, was reported to be very cost and effort demanding An alternative action, therefore, had been taken at the hospital: a short version of the case summaries are issued on the day of a patient's discharge from the hospital. The main idea of the 80 % case summaries within 7 days, namely that subsequent actors shall be informed, thus, is taken care of, but in another way than requested by the regional health care agency.

"As to case summaries, we are nearly at the target, we are somewhat behind, but give priority to make a short version to the patients when they leave the hospital."

"If formalistic requirements hampers important information, it is unfortunate, the crucial must be to provide the important facts."

This requirement is complied with to a substantial degree, but with the important innovation of the short versions.

Directive #2

The required correspondence between the numbers of various physicians at the hospital and the numbers in the database caused difficulties at the hospital. A strict adherence to this requirement is reported to reduce the working force and expertise that enabled the hospital to fulfill the activity requirements in Directive #6.

Additionally, the regional health care agency was reported to have admitted that too few physicians had been allocated to the hospital, thus to a certain degree tolerating less than full compliance with the required correspondence.

"We cannot quietly accept that our population suffers from too few physicians as long as there are too many in other districts."

"The value of the database is highly requested. We acknowledge to have discrepancy, but this is because the discrepancy is effective."

This requirement is complied with to a middle range degree.

Directive #3

Measured by the number of Ph.D.s as well as by credits for publications, the research at the hospital is at a high level compared with other hospitals, and it is increasing. The hospital does not allocate the required 0.5% of internal resources, however. This was explained by the hospital's successes with providing external resources for research, and the informants consistently report that this is a success rather than a failure.

"I am quite sure that the reason why we succeed in research is that we have such good external funding."

Formally, thus, there is less than full compliance, but we nevertheless consider the compliance with this requirement to be substantial.

Directive #4

The hospital's participation in planning and developments projects, such as e-learning, is reported to be satisfactory. There was general agreement among the hospital informants about the importance of both participation in projects which bring about network possibilities and e-learning which is found to be very future-oriented. On the other hand, there was some reluctance to this requirement since the projects were not considered to be appropriately organized. Tools and methods decided by the regional health care agency were perceived to be too advanced and therefore hampering the effects of the hospital's efforts.

"E-learning is very future-oriented… but this is not appropriately organized."

"The regional health care agency has purchased tools and methods on a much higher level than what we consider as beneficial."

This requirement is complied with to a middle range degree.

Directive #5

The lowest degree of compliance was found for the development of specific procedures for two new lines of medical treatment. The informants consistently reported major challenges with the development of these knowledge-based procedures. The use of resources to obtain this goal was not found to be in accordance with the benefits. Compliance would require physicians' attendance at five meetings, each for 2–3 days. These costs were found to be out of proportion for the relatively few cases at the hospital and were not found to be defendable. Additionally, this requirement was considered to be a question of professional autonomy. The development of such procedures was found to be contrary to the individually-oriented culture with more discretion among physicians.

"The approach of the regional health care agency is not correct, it is total 'overkill' compared with our hospital. We do other efforts that affect quality far more than these elegant presentations. Things do not need to be fancy to work."

This requirement is complied with to a low degree.

Directive #6

The informants consistently reported that the activity and budget requirements were given high priority at the hospital and that the hospital fulfilled these demands. One informant explains:

"There are two issues that we have to focus: Costs and activity." (The informant knocks in the table to emphasize this point.)

"This is the only requirement that is absolute and something everybody unequivocally adapts to."

The interviewees furthermore gave detailed information about the quite complicated budget system at the hospital, thus displaying deep insight in these issues.

The rationale for the strict fulfillment of this requirement for one thing seems to be that no alternatives were conceived. Furthermore, legitimacy considerations seem to have been made.

"If we have budget balance, we acquire goodwill on other issues. This year we seem to obtain balance, this is important for the hospital, it gives us scope of action on other issues."

This requirement is complied with to a high degree.

Directive #7

The directive to make educational efforts for medical technical equipment is substantially fulfilled at the hospital.

"We do not do this because it is required in the directive document, but because we have safe patient care."

On this point, the national safeness agency has reported a discrepancy case at the hospital. This seems to be more a documentation issue than a substantial one, however.

This requirement is complied with to a substantial degree.

Our results give little or no indication of strategic decoupling processes. The hospital informants reported nothing that indicated that the regional health care agency considered the document as something that should not be completely complied with. The only minor qualification of this conclusion is the reported admission for Directive #2 by regional health care agency representatives that too few physicians had been allocated to the hospital.

Except for the Directive #6 requirement, the informants reported no fear of sanctions when replacing the regional health care agency's judgments by their own. They regretted the deviances they made from the document rather than considering it as a virtue, however, and the limited compliance with the document was partly explained by its inferior quality. The hospital actors, furthermore, did not see any potential in the document's equivocality such as more autonomy. Rather, they expected future documents to be more unequivocal.

A high degree of compliance was found for the activity and budget requirements which may be explained by taken–for granted assumptions; the hospital actors perceived no alternatives than unequivocally to comply with this requirement, corresponding with the cognitive cultural pillar in Scott's (2008) framework. Compliance with the activity and budget requirement, furthermore, was explicitly considered as legitimacy-enhancing in the strategic perspective on legitimacy (Suchman 1995; Deephouse and Suchman 2008:52); fulfilling these demands enabled the hospital to be more relaxed as to other requirements in the directive document.

Most of the non-compliances with the other requirements fit into the overall effectiveness category in our framework. The subordinate actors replaced the requirements in the directive document with their own judgments when they considered only partial compliance to contribute to hospital effectiveness without being at the expense of the total system effectiveness.

Agency considerations where hospital effectiveness was conceived to be obtained at the expense of the total health care system were found in the line of treatment case of Directive #5. Based on hospital cost/benefit considerations, the hospital actors were reluctant to comply with the line of treatment requirement. These considerations, however, were hospital rather than total health care system based, bringing about suboptimalization.

Discussion

Our study demonstrates no support for the strategic decoupling mechanism. The hospital informants perceived the directive document as a genuine steering document and not a symbolic device only or predominately. Rather, the informants were frustrated by the quality of the document, preferring it to be more precise, and they did not see any potential of an equivocal document.

Our study demonstrates varying degrees of compliance with the directive document at the actual hospital. The high degree of compliance that was found for the activity and budget requirements can be explained by taken-for-granted assumptions among the hospital actors and as legitimacy-enhancing; fulfillment of the activity and budget demands enabled the hospital to be somewhat relaxed as to other requirements.

Furthermore, overall effectiveness considerations were found to be the main explanation for less than total compliance with the directive document. The hospital actors replaced their superordinates' considerations with their own judgments. Deviance from the document thus was considered to further the interests of the hospital without being at the expense of the total health care system.

In the case of the lines of treatment requirement, however, the hospital informants were aware of diverging interests between the hospital and the regional health care agency. While the regional health care agency had a preference for common procedures and thereby aimed to obtain enhanced quality and scale economics, the costs to achieve these goals had to be taken by the hospital, making the hospital actors reluctant to comply with this requirement.

To the degree that decoupling was found, the hospital actors regretted rather than were proud of the deviances they made when they replaced the regional health care agency's judgments by their own.

The main contribution of this study is the questioning of decoupling as a deliberate strategic process. Rather, we found decentralized processes in which less than full compliance was mainly explained by hospital actors' considerations to further the interest of the hospital without being at the expense of the total health care system. This is an interesting finding even when the effects of self-reports and the fact that actors' considerations do not necessarily have the intended consequences are taken into consideration.

A characteristic of our study is that it examines a relationship between two organisations that are both parts of the total Norwegian health care system. We acknowledge that the examined processes might be different within organisations. Among other things, we can assume a more distinct we-them dimension between these organisations than within an organisation (Hogg and Abrams 1988). The consistent pattern of non-compliance we find here may to some extent be due to this phenomenon.

In a perspective of preferring tight coupling and avoiding decoupling, the implications of our findings would be that the regional health care agency should, firstly, improve the directive documents. By making the directives more unequivocal, for example, they might be more fully complied with. In fact, this was what happened the year after our study was done; a longer document with clearer formulations was issued. Secondly, the agency should make more efforts to overcome agency costs, such as monitoring behaviors and results at the subordinate organisational level.

In the strategic deliberate decoupling perspective, the implications of our findings would be that the regional health care agency directly or indirectly should instruct the hospital actors to ignore or to be relaxed as to compliance as far as those parts of the document that are issued for symbolic reasons only or predominantly, thereby bringing about organisationally functional decoupling.

To the degree that the hospital actors' non-compliance is actually furthering the total system effectiveness, no major actions are needed. In this case, however, the value added by the directive documents can be questioned; substantial costs are incurred by producing them. The question of why a directive document should have requirements that neither are nor should be complied with is therefore appropriate. In this decision, however, the legitimacy loss by terminating the issuing of the directive documents should be taken into consideration.

In the case of agency considerations, decoupling is dysfunctional, and the regional health care agency should make attempts to monitor the hospital actors.

Regional health care agency actors, however, will hardly conceive the overall effectiveness and the agency cases differently. Rather, they are likely to consider any non-compliance as an agency case and therefore as an obstacle. The most important implication of our study, therefore, is on the subordinate side of the relationship. Our analysis suggests that, depending on the situation and the level of judgments, tight coupling and decoupling are both correct ways in which to react to the directive document. The hospital actors should therefore be encouraged and taught to make the best possible judgments.

Further research should, firstly, examine the relationships between varying degrees of coupling and the degree to which the outcomes are organisationally functional. And, secondly, the relationships between intentions and outcomes should be examined. It would also be interesting to analyze what issues are not included in directives such as the one examined in this study.

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